

MINNESOTA RATE CASE IS DECIDED IN FAVOR OF STATE

Given Substantial Victory by Supreme Court Verdict.

ITS POWER TO FIX RATES IS UPHELD

Authority of State to Make Passenger Fare of 2 Cents a Mile and to Establish Maximum Freight Charge on Intra-state Traffic Fully Recognized.

Washington, June 9.—The power of the States to fix reasonable intrastate rates of interstate railroads, until such time as Congress shall choose to regulate rates, was upheld to-day by the Supreme Court of the United States in the Minnesota freight and passenger rate cases.

At the same time, the court laid down far-reaching principles governing the valuation of railroad property for rate-making purposes, and, according to them, held that the State of Minnesota would confiscate the property of the Minneapolis and St. Louis Railroad Company by its maximum freight and 2-cent passenger fare law. It enjoined the State from enforcing these laws, as to this road, for the present. In the cases of the Northern Pacific and Great Northern, however, the court held that these roads had failed to show that the rates were "unreasonable" or confiscatory, and, consequently, reversed the United States District Court for Minnesota, which had enjoined their enforcement as both confiscatory and a burden on interstate commerce.

The decision, regarded as one of the most important ever announced by the court, had been under consideration for fourteen months. Railroad commissions from eight States and the Governors of all the States filed briefs in support of the States in the cases, recognizing that the principles involved affected them all.

Rate cases from Missouri, Arkansas, Oregon, Kentucky and West Virginia were not decided to-day, but the points announced in the Minnesota cases are regarded as governing them generally. These cases probably will be disposed of to-morrow, when the court will hold another session, as it will also do on Monday, June 16, the final day of adjournment for the term.

Favorable to State.

The criticism of the apportionment of value between interstate and intrastate business on a gross revenue basis, and the apportionment of expenses by regarding intrastate freight business as two and a half times as expensive as interstate business, was regarded here as favorable to the State of Missouri, in its fight to uphold the validity of the maximum freight and 2-cent passenger law enacted by it. Similar confidence was inspired in advocates of the Arkansas State rate regulations, but all recognized that the statement of the court that each case of alleged confiscation must rest on its own bottom, might mean the setting aside of the Missouri and Arkansas laws.

The States of Oregon and Kentucky were regarded as almost certain to win their rate cases involving the validity of State freight rates, because in each instance, practically the only objection to their laws was their interference with interstate commerce. For a like reason many believed that the West Virginia 2-cent passenger law would be upheld.

The decision was announced by Justice Hughes, and consisted of about 35,000 words. The court was unanimous, with the possible exception of Justice McKenna, who merely "concurred" in the results.

Justice Hughes considered the attack upon the State rates in two phases, one that they placed an unlawful burden on interstate commerce, and the other, that they were so low as to confiscate the property of the States.

In considering the interstate commerce phases, he took it for granted that the State had the power to regulate rates between points within the State of Minnesota, and that it was not crossing State lines, and so not within the boundaries as not to compete with the cities of other States, or otherwise affect interstate commerce.

Not Direct Regulation.

He made no mention of the fact that interstate rates, whether on purely intrastate railroads or interstate railroads, had not been regarded by the courts as being a direct regulation of interstate commerce.

Justice Hughes' argument in this phase of the controversy was made by the justice in considering whether State rate or interstate carriers would have such an indirect bearing on interstate commerce as to exclude the States from imposing them. He reached the conclusion that this was a well-known field, in which the States could exercise their authority until Congress had seen fit to regulate the field exclusively. Finally, he arrived at the conclusion that Congress in all its rate-making legislation, has expressly provided that the regulation should not extend to transportation wholly within a State.

Justice Hughes reviewed decisions of the court from its very foundation. "Our system of government is a practical adjustment," said he "by which the national authority as conferred by the Constitution, is maintained in its full scope without unnecessary loss of local efficiency. Where the subject is peculiarly one of local concern, and from its nature belongs to the class with which the State is properly concerned, it is not for the provision for local needs, it cannot be regarded as left to unrestrained will of individuals because Congress has not acted, although it may have such a relation to interstate commerce as to be within the reach of the Federal power. In such case, Congress must be the judge of the necessity of action. Its paramount authority always enables it to act in such a way as to complete and efficient government of

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Can Use Canal for War Ships by October

Colonel Goethals Says Fleet Could Be Moved Across Isthmus in Emergency at That Time.

[Special to The Times-Dispatch.]

New York, June 9.—If the United States were confronted with such a grave emergency as war in the Pacific it would be possible for us to float the Atlantic fleet across the Isthmus by October 1 this year, and not before, declared Colonel George Goethals on his arrival to-night by the United Fruit steamer Pastores.

Colonel Goethals has been summoned to Washington to confer with the Secretary of War. He said that the trouble still experienced on the Isthmus with slides was slight, and that all would be right by the time the canal was ready for maritime traffic on January 1, 1915.

"We can begin flooding the cut on July 1, but it will take three months before we can get a depth of thirty-five feet, and two months before a man of war of thirty-five feet can be reached," added the colonel. "We should have to hurry things to get a fleet through by October, but if the need were urgent it could be done."

Colonel Goethals will not know how long he will stay here until after he reaches Washington. The work on the fortifications is proceeding rapidly, and it is on that subject that he will confer with Secretary Garrison.

CITY COMMITTEE WILL NOT APPEAL

Bows to Court Decision, and Goes On With Primary Plans.

MAJOR MARTIN'S STATEMENT

Reported That Chamber of Commerce Retained Charles V. Meredith.

With only a few evidences of soreness, the City Democratic Committee last night accepted the decision of the Law and Equity Court in the matter of the annexation referendum, thanked Chairman Miles M. Martin and Committee member Florence for defending the committee in court, and proceeded with detailed plans for the primary election on Thursday, on the ballot in which there will appear no reference whatever to the referendum question.

Chairman Martin's statement, "It is proper for me to say," said Chairman Martin when the committee assembled, "that on last Thursday I was served with a bill asking the Law and Equity Court to enjoin this committee from placing on the ballot the words with reference to the annexation question. Not having time to call a meeting of the committee, I took the responsibility of appearing in court on Friday morning with Mr. Florence to represent the committee. The court entered an order enjoining the members of the committee from placing the annexation matter on the ballot. The bill asking this injunction was filed by a legal right to do so, and I have not changed my opinion as to the propriety of that action, or as to the propriety of the action of this committee, but in view of the short time, I decided to appear in court to take an appeal, but felt it wise to take the decision of the court. The incident so far as this committee is concerned in undertaking to do what we considered proper in ordering this referendum, is ended."

Thanks to Chairman.

Several members were on their feet

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ACTION SET ASIDE BY SUPREME COURT

Error of Trial Judge Leads to Reversal in Naval Stores Case.

Washington, June 9.—Convictions of five officials of the American Naval Stores Company of Savannah, the so-called "turpentine trust," for criminal violation of the Sherman law, were set aside to-day by the Supreme Court of the United States because of an erroneous instruction of the trial judge. Justice Hughes was the only dissenter to the opinion.

Officials of the Department of Justice, however, did not regard the decision as one generally unfavorable to the criminal section of the Sherman law. They never considered that they had a strong case.

Edmund S. Nash, president of the company, had been fined \$2,000; J. P. Cooper Myers, vice-president, fined \$2,500, and sentenced to jail for three months; Spencer P. Shott, chairman of the board, fined \$5,000, and sentenced to jail for three months; George Meade Boardman, treasurer, fined \$2,300, and Carl Moller, manager of the Jacksonville branch, fined \$5,000. All these sentences were set aside. Shott's and Myers' cases were the first convictions for violation of the Sherman antitrust law carrying jail sentences to come before the Supreme Court.

The trial judge instructed the jury that a conviction could be had if the defendants were found guilty of "any" of the means charged to effect a monopoly. One of these means, Justice Holmes said, in announcing the court decision, "was an offense which would not be in restraint of trade, but mere cheating, punishable by State law."

In announcing the court's decision, Justice Holmes said that the "rule of reason" did not make the forbidden acts so indefinite as to make the Sherman antitrust law as a criminal measure unconstitutional.

While the case has been going on the company has gone into bankruptcy. Its officers charged that the government's attack, among other things, had impaired its credit.

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ONLY PATIENCE NEEDED TO REVEAL TRAIL OF QUARRY

Senators Believe They Have Glimpsed Workings of Lobby.

ADMISSIONS MADE ON WITNESS STAND

Former Congressmen Tell Investigators That They Represent Various Business Interests, Keep Them Informed of Bills and Arrange for Hearings.

Washington, June 9.—Turning away from the examination of colleagues who might have been influenced in matters of legislation, the Senate lobby investigating committee late to-day began to inquire into the Washington connections of those who might have exercised the influence. With only half a dozen Senators yet to take the witness stand, the majority of the committee is convinced that it has seen a flash of the underground workings of a lobby, and believes that only patient search is needed to reveal the trail that will lead to the quarry. The minority members apparently are not so certain that an "insidious" lobby will be discovered. The few Senators who have not been heard are out of the city, and will testify before the hearings are concluded.

Former Congressmen on Stand.

One former Senator and four former Representatives to-day admitted more or less interest in legislation at the Capitol, but none would say that he considered his cause unjust, or that he had done anything improper. Their work has been done in the open, they said, and consisted mostly in the filing of briefs before committees of Congress, making oral arguments in behalf of clients, and arranging for hearings for their employers, Senator Reed, the principal inquirer, apparently expected to show that many men spend most of their time in Washington with nothing to do but convince Congress that it is wrong about particular legislation.

Former Senator Charles J. Faulkner, of West Virginia, the first witness from the outside, told the committee he represented twenty-two of the big railroads of the country, and had represented them here for many years.

"My business has been to find bills that affect the railroads, and to my clients, and give my opinion of them," he said. "If the railroads find nothing they regard as prejudicial, or if they need amendment, they notify me to arrange a hearing before the committee in charge."

The other former congressional witnesses were J. T. Hull, of Iowa; W. A. Kopp, of Wisconsin; Charles S. Bennett, of New York; and Charles B. Landis, of Indiana.

Hull Has Clients.

Mr. Hull said he had been out of Congress for two years, and had been in Washington most of the time since. He had represented an association of corn products manufacturers in connection with the pending tariff bill.

Mr. Kopp said he had been in the United States of the United States, which wished to obtain commissioned ranking for its members in the army, and for representatives of the government of Ecuador, who wished government engineers to investigate sanitary conditions there.

"I suppose you would accept employment from any institution or corporation that wanted you to appear before committees of Congress, so long as you regarded the matter as public and straightforward," asked Senator Reed.

"That may be to be your present occupation and employment," "I would hardly like to say that," was the reply.

Mr. Kopp declared he had spent probably three weeks in Washington, shortly after his retirement from Congress in March. Although he had once declined, he said, at the earnest solicitation of people in his home district, he had come back to Washington to present arguments in behalf of the lead and zinc interests.

Former Congressman Bennett told of filing a bill in behalf of the Diamond Tariff League. He saw two members of the subcommittee in charge of the schedule during an hour's stay in Washington. Mr. Bennett said he also had filed briefs and made arguments for lace manufacturers.

Employed by DuPonts.

Mr. Landis, out of Congress four years, said he had been in the employ of the DuPont Powder Company for three years. He spent much of his first year with the powder company here, but for the last two years has been an independent contractor.

"Were you interested in the ship subsidy?" asked Senator Reed.

"I delivered a lecture on it for the Merchant Marine League of Cleveland," "That was generally known as the ship subsidy lobby?"

"No, sir. I think not. It never looked like it."

The committee adjourned until to-morrow at the conclusion of his testimony.

Senator Pointexter made the committee sit up when he named several former members of Congress whom he believed might be found to have practiced lobbying here. He named among others former Senator Butler, of North Carolina. He did not accuse them of improper attempts to influence Congress on legislation, but suggested that "they might know some interesting things."

Senator Tillman said he owned about \$3,500 of cotton stock and \$2,000 of Oklahoma oil stock.

"I am only anxious that we pass the tariff bill and leave the chilly sensation now prevailing in New York among certain gentlemen who have grown wealthy on legalized piracy," he said.

Senator Tillman said he thought large sums had been used to buy "the columns of newspapers to influence Congress and the people on the tariff question. But beyond that, while he

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FERRANDINI WINS NOTABLE VICTORY FOR PRIMARY LAW

Secures Injunction From Judge Crump Upholding Byrd Act.

DECREE SETTLES TROUBLING ISSUE

Forbids Submission of Annexation Referendum and Restricts Printing on Ballots to Names of Candidates and Matters Authorized by Law in Force.

The Byrd primary law and its fortuitous champion, Frank Ferrandini, won a sweeping victory in the Law and Equity Court yesterday, when, after an oral review of the contested points, Judge Beverley T. Crump entered a decree restraining the City Democratic Committee from carrying out its announced intention to add to the names of the candidates in Thursday's primary ballots the words "for or against reference of annexation ordinance."

With the announcement of the decision came a sigh of relief from candidates and members of the City Democratic Committee alike. The issue had begun to overshadow candidates and candidacies, and was beginning to attract to itself the attention which, it was felt, should be directed to the business of choosing State and city officers. Interest in the contest for the offices of City Sergeant and City Sheriff had begun to lag noticeably, while lawyers and committeemen sought the aid of the court in the solution of a problem which had been injected into the campaign at its most crucial period.

Establishes Important Precedent.

From the viewpoint of the State at large, Judge Crump's ruling was of even deeper significance. It established, as far as a court ruling can do so, the supremacy of the primary law of the Byrd primary law passed by the last General Assembly and its precedence over all other primary laws that have in the course of years been written into the Virginia statute books.

In effect, Judge Crump holds that the City Democratic Committee of Richmond, and therefore, by inference, any other local party committee in the State, has no right to lay down rules for the conduct of a primary election that are not expressly provided or indicated by the Byrd act. Touching the immediate point at issue in the case just decided, the court decrees that no primary ballot containing words other than the names of the candidates and other matters authorized by the Byrd law, is a legal election ballot in Virginia.

In announcing his decision, Judge Crump spoke of the considerations that forced him to rule as he did. He dismissed the demurrer of the defendants to the effect that the court had no jurisdiction and that relief should have been sought from the State Democratic Committee, with the opinion that the court had full jurisdiction to grant the injunction sought.

The numerous court decisions on parallel questions, submitted by the defendants Judge Crump dismissed as inapplicable to the present issue, since the Byrd law was enacted before the act, he thought, gave the courts the right to interfere whenever it appeared that the local body in charge

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BOW LAUNCHED AT KODAK TRUST

Suit Seeking Its Dissolution Filed by Order of Attorney-General.

Buffalo, N. Y., June 9.—Dissolution of the so-called "Eastman kodak trust" was asked in a civil antitrust suit, filed here to-day by order of Attorney-General McReynolds. The Federal government seeks the dissolution by receivership, if necessary, of the Eastman Kodak Company, of New Jersey, and the Eastman Kodak Company, of New York, which are charged with monopolizing the trade in photographic supplies in violation of the Sherman law.

It is the aim of the government to divide the assets and business of the two companies, controlling 72 per cent of the business in the United States, into such parts as will effectually destroy the alleged monopoly and restore free competition. The petition in equity asks for an injunction forbidding the fixing of the resale price of cameras, films and other patented photographic supplies.

The Eastman Kodak Company, of New Jersey, a holding company, has an authorized capital of \$35,000,000, of which \$25,000,000 has been issued. The Eastman Kodak Company, of New York, the operating company of the combination, is a \$5,000,000 corporation, manufacturing and marketing photographic supplies.

Unwilling to Dissolve.

Rochester, N. Y., June 9.—The Eastman Kodak will adjust its methods of doing business to meet the charges preferred against the company in the government's dissolution suit, filed to-day at Buffalo. George Eastman, president of the company, so announced

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WINS FIGHT IN COURT



FRANK FERRANDINI. Photo by Foster.

FIGURES SHOWN IN TARIFF TABLE OFFERED CHANCE TO PROVE SANITY

Comparison Made of Revenue Under Payne-Aldrich and Proposed Underwood Bills.

LUXURIES ARE HIT HARD WILL NOT BE OPPOSED

They Will Make Up Largely for Losses in Free Listed Articles.

Washington, June 9.—A table prepared by the Senate Finance Committee showing comparative figures based on the Underwood tariff bill and the present tariff law, shows the average ad valorem rate in the proposed law to be 32.99 per cent as against 42.64 per cent under the Payne-Aldrich bill.

The estimated loss of revenue through the augmented free list in the Underwood bill would be \$24,718,329 on an import valuation of \$102,534,466. Revenue under the proposed bill, exclusive of the income tax, is estimated at \$266,701,120, as compared with \$201,216,694 under the present rates. With the income tax revenue estimated at approximately \$80,000,000, the total revenue under proposed bill would aggregate about \$347,000,000.

Luxuries Show Increase.

In the sundries civil bill, wherein the Democrats have added many articles not heretofore taxed or have increased rates on luxuries, the ad valorem equivalent shows an increase over the Payne-Aldrich rates from 24.72 per cent, to 32.26, and the estimated revenue from this schedule is raised from \$7,000,000 to approximately \$10,000,000.

Wool revenue, it is estimated, will decrease from \$27,000,000 to \$13,000,000. The sugar revenue would decrease from \$60,000,000 at the rate of \$20,000,000 a year until sugar goes on the free list in three years.

Majority members of the Senate Finance Committee will meet to-morrow to prepare the measure for the Democratic caucus next week.

Senator Simmons, chairman of the committee, said to-day that the subcommittee would not be able to report fully for several days and each has several proposals to submit to the majority members for advice. These include questions relating to the income tax administrative features and whether certain duties on the schedule should be made specific in the case of ad valorem duties.

Instead of the subcommittee in charge of the agricultural schedule to put a countervailing duty on live stock, grains, meats and flour, also will be discussed by the majority members. With these products on the free list, subject to a countervailing duty, cattle from Canada would be dutiable at from 22.12 to 25 per cent ad valorem, a sum equal to the Canadian tax on cattle; meats would be dutiable at 21.2 to 3 cents a pound; wheat 10 to 12 cents a bushel; oats and rye, 10 to 15 cents a bushel; flour, 50 to 60 cents a barrel; rice flour, 45 to 50 cents a barrel; oat meal, 50 to 60 cents a barrel.

Consider It at Least Week.

Senator Simmons estimates that the majority members will be at least a week considering the bill.

To protect the city of New York against the operation of the proposed income tax, where it might fall upon the city's interest in the earnings of the Interborough Rapid Transit Company, Comptroller Mathewson and Acting Corporation Counsel Hohle, of New York, suggested amendments to the income tax provision.

One amendment would make it clear that incomes of States or municipalities cannot be taxed. The other would exempt earnings of any private corporation, when the operation of the income tax would result in loss to a State, county or city.

RACING FOR PORT

Blazing Munson Liner Trying to Reach Charleston.

New York, June 9.—With her No. 1 hold practically burned out and fire spreading to other parts of the vessel, the Munson liner Olinda, convoyed by the United States gunboat Nashville, is racing for Charleston, S. C., according to wireless messages received from the Nashville to-night.

PULLMAN SLEEPER TO LYNCHBURG

CHESAPEAKE AND OHIO RAILWAY.

Leave Richmond 11:30 P. M. daily, arrive Lynchburg 7:30 A. M. Returning leave Lynchburg 12:30 P. M., arrive Richmond 5:15 A. M.

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BUSINESS ENVOYS OF FORTY STATES IN BIG CONGRESS

T. P. A. Men Mix Merry With Serious at Opening Session.

BIGGEST MEETING IN CITY'S HISTORY

Delegates Applaud Addresses by Reed, Ainslie and Richardson, and Discuss Selection of Next Convention City—Carolina Man May Be President.

With that carefree good fellowship which marks them everywhere, the traveling salesmen of the United States took possession of Richmond yesterday. The statement is literally true, for forty-two States were represented in the big parade, by men who are the leaders in their calling from Louisiana to Pittsburgh, and it was evident from the start that they had captured the sympathies of the people. Crowds lined the streets along the entire route of the procession, and the applause and laughter greeted the picturesque, larking delegates, who stood not upon dignity, but infused a large quantity of fun into their big demonstration, which was, at the same time, an impressive and significant event.

For this convention, the largest commercial gathering ever held in the city, and probably one of the largest in the country, shows the traveling salesmen as an organized and powerful body of men, who realize their responsibilities as makers and messengers of commerce.

The serious note of the convention was struck later in the morning, when the delegates and their guests filled the auditorium of the Jefferson Hotel to the doors, and listened to words of welcome from local officers and to the able address of their own president. The purpose and nature of the organization was probably best explained by T. P. A. Reed, president of the Chamber of Commerce, who himself a veteran traveling man, and has been a member of the association for twenty years. He declared that the profession of the traveling salesman has been raised in twenty-five years from a position of disrepute to one of the highest eminence in the commercial world. The day of trickery and doubtful methods in trade, he asserted, has passed forever, and a large share of the credit for this transformation is due to the Travelers' Protective Association of America, which has formulated the standards of the profession, brought co-operation into it, and made it safe.

The delegates also loudly applauded Congressman Montague, who greeted them as "the messengers and prophets of commerce," and declared that the commercial unity of the country, which they represent, is the thing that has made and kept intact the union of the States.

Judge David C. Richardson then presented President D. W. Michaux, of San Antonio, Texas, with a gavel, which he asserted was made from the wood of the tree under which the delegates of the battleship Merrimack, and George Ainslie and others also welcomed the delegates to Richmond.

"State of Miscellaneous."

The irrepressible facetious note was raised by a delegate from Georgia, arose, and pointing impressively to a banner labeled "Miscellaneous," among the standards of the States, and marking the section where the women guests were seated, moved that the "State of Miscellaneous" be immediately considered for membership in the association, as the most promising of all. The motion was passed with a roar of "ayes."

In the afternoon the convention gathered in the auditorium for the memorial service, which was a long-established feature of its annual gathering. Colonel John S. Harwood, who was to have delivered the customary address, was unable to be present, but the address which he had prepared was read by Rev. J. J. Graves, D. D., the chaplain of Post A. Rev. Homer T. Wilson, national chaplain for the association, presided over the services, and an appropriate musical program was rendered.

The evening was devoted to an informal reception in the auditorium, which was brilliantly decorated for the occasion. The many women guests of the convention were present, and there was music and refreshments. There was much discussion at the reception of the two of the most important issues before the convention—namely, the choice of the next place of meeting and the election of the national president.

Place and President.

San Antonio, Texas, and St. Louis, are the two strongest candidates for the honor of entertaining the convention next year, and with an eye for the spectacular, the Texans seem to be leading in the lobbying two big signs stating that "two stars have floated over Texas; meet in San Antonio next year." The logic is not obvious, but the banner, decorated with all the colors that Texas has ever worn, is very striking.

George H. Armstrong, of Philadelphia, is the only announced candidate for president of the association; but friends are pressing C. F. Tomlinson, of High Point, N. C., chairman of the national committee on membership, to accept the nomination. It is promised that if he has consent to run, the race will be close.

THEY VISIT PRESIDENT

Thomas Nelson Page and Henry Van Dyke White House Callers.

Washington, June 8.—Thomas Nelson Page of Virginia, and Henry Van Dyke, authors and future diplomats, called to-day on President Wilson. Mr. Page has been selected for ambassador to Italy, while Mr. Van Dyke has been chosen for minister to the Netherlands.

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